

33. FILED

AFFIDAVIT OF PUBLICATION

2007 MAY 10 P 1:34

STATE OF HAWAII, } ss.
County of Maui.

PUBLIC UTILITIES
COMMISSION

Terri Yip-Komoda being duly sworn
deposes and says, that she is Advertising Sales of
the Maui Publishing Co., Ltd., publishers of the MAUI NEWS, a
newspaper published in Wailuku, County of Maui, State of Hawaii;
that the ordered publication as to _____

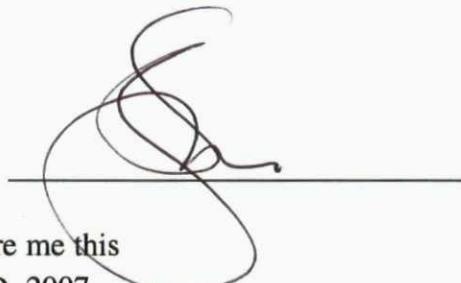
NOTICE OF PUBLIC HEARINGS

Docket No. 206-0387

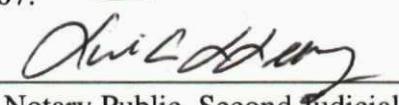
of which the annexed is a true and corrected printed notice, was
published 4 times in the MAUI NEWS, aforesaid, commencing
on the 2nd day of April, 2007, and ending
on the 24th day of April, 2007, (both days
inclusive), to-wit: _____

April 2, 10, 17, 24, 2007

and that affiant is not a party to or in any way interested in the above
entitled matter.



Subscribed and sworn to before me this
24th day of April A.D. 2007.


Notary Public, Second Judicial
Circuit, State of Hawaii.

LEILA ANN L. LEONG
My Commission Expires: 11-23-07

NOTICE OF PUBLIC HEARINGS
IN THE MATTER OF THE APPLICATION OF
MASU ELECTRIC COMPANY, LIMITED
FOR APPROVAL OF RATE SCHEDULES

Case No. 2007-0004

The Public Utilities Commission ("Commission") of the State of Hawaii hereby gives notice that it will hold public hearings, pursuant to chapters 91 and 169, Hawaii Revised Statute ("HRS"), regarding the application of Masu Electric Company, Limited ("MECO"), filed on February 23, 2007, for Commission approval of rate increases and rate schedules ("Application"). The public hearings will be held as follows:

MAUI
 Tuesday, April 24, 2007, 9:00 A.M.
 Maui Bell Pacific Center, Conference Room
 400 Alakea Street
 Kailua-Kona, Hawaii HI 96744

MAUI
 Wednesday, April 25, 2007, 6:00 P.M.
 Lahaina High & Elementary School Cafeteria
 515 Puana Avenue
 Lahaina, Maui HI 96740

HONOLULU
 Thursday, April 26, 2007, 9:00 A.M.
 Leilehua High & Elementary School Cafeteria
 515 Puana Avenue
 Leilehua, Oahu HI 96766

MECO's proposed public utility engaged in the production, purchase, transmission, distribution, and sale of electricity on the island of Maui, the production, transmission, distribution, and sale of electricity on the island of Lanai through its Power division. In its Application, MECO is seeking Commission approval of a general rate increase totaling approximately \$107,000, or about 3.3% over revenues at present rates for the Test Year. MECO's Land Division is seeking a rate increase of approximately \$100,000, or about 3.3%, over revenues at present rates for the Test Year. MECO's Maui Division is seeking a rate increase of approximately \$60,000, or about 3.3%, over revenues at present rates for the Test Year.

MECO's current rates were approved by the Commission as its decision issued on April 6, 1999, in Docket No. 97-034. MECO states that it filed this Application due to part to an investment of \$1 billion. This which went into effect October 2006 and will last until September 2008. MECO also claims that this rate relief is requested to offset the additional costs associated with the investment in the company's customer service, depreciation, and other operating expenses, and to increased cost of capital. Without rate relief, MECO estimates that the rate of revenue for average rates would be approximately 2.4% higher than the proposed rate of 3.3% for the Test Year. The Commission's 1999 decision is set forth in HRS § 269-6(d).

MECO's proposed rate increases and the revisions to its rate schedules are set out in steps, as follows:

1. **Interest Increase:** An increase in rates equal to what the Commission determines MECO is "probably entitled" based on the creditability record before it, as set forth in HRS § 269-6(d), and

2. **Final Increase:** A general rate increase upon the Commission's issuance of its final decision and order that provides for the avoidance of rate increases resulting from the application of the test year rates.

MECO also requests that the rate decreases implemented in its Application be implemented when the first increase is implemented and further requests that the original increase implemented prior to the final step be suspended for charges for the various clauses based on a percentage of the customer's base charge (i.e., excluding Energy Charge Adjustment charges and other surcharges). The following illustrates MECO's proposed revenue increases over present rates, at dollar amounts and percentages, by division and rate class:

Rate Class	Revenues At Present Rates (\$XXXX)	Revenues At Proposed Rates (\$XXXX)	Proposed Increase Amount (\$XXXX)	Percent
Schedule R	\$121,916.2	\$128,342.8	\$6,426.6	5.27%
Schedule G	20,912.9	\$11,584.4	-1,311.5	-5.77%
Schedule B	1,500.0	700.0	-800.0	-53.33%
Schedule H	3,909.6	6,231.1	2,321.5	58.21%
Schedule P	98,985.7	104,203.5	5,217.8	5.27%
Schedule F	1,434.7	1,434.7	0.0	0.00%
Total Sales	\$312,771.5	\$302,673.5	\$10,998.0	3.47%
Other Operating	1,369.0	1,590.0	221.0	14.40%
Total	\$314,140.5	\$314,227.5	\$87.0	0.31%

Rate Class	Revenues At Present Rates (\$XXXX)	Revenues At Proposed Rates (\$XXXX)	Proposed Increase Amount (\$XXXX)	Percent
Schedule R	\$2,731.6	\$2,875.6	\$144.0	5.27%
Schedule G	725.2	784.4	58.2	5.77%
Schedule I	2,253.8	2,177.6	-76.2	-5.27%
Schedule H	1,103.5	1,093.9	-10.6	-5.52%
Schedule P	4,113.7	4,196.9	85.2	5.27%
Schedule F	36.0	36.0	0.0	0.00%
Total Sales	\$10,765.9	\$10,497.5	\$-268.4	-2.45%
Other Operating	19.9	19.9	0.0	0.00%
Total	\$10,785.8	\$10,644.2	\$-141.6	-5.34%

Rate Class	Revenues At Present Rates (\$XXXX)	Revenues At Proposed Rates (\$XXXX)	Proposed Increase Amount (\$XXXX)	Percent
Schedule R	\$4,756.7	\$4,796.9	\$40.2	5.27%
Schedule G	1,017.7	1,091.9	83.2	5.77%
Schedule B	2,031.8	1,941.1	-90.7	-5.27%
Schedule H	1,664.1	1,677.3	13.2	2.27%
Schedule P	2,714.9	2,679.0	-35.9	-5.27%
Schedule F	1,000.0	1,000.0	0.0	0.00%
Total Sales	\$12,631.4	\$11,977.3	\$-654.0	-5.12%
Other Operating	107.1	121.1	14.0	13.01%
Total	\$12,738.5	\$12,098.4	\$-640.9	-5.38%

MECO Total: \$357,807.2 \$374,385.1 \$17,578.0 5.11%

The actual proposed increases for each division and rate class schedule may be different from the proposed amounts, as a result of the Commission's decisions with respect to the allocation of the increases to the divisions and among the various rate schedules. The increase experienced by a particular customer will depend on the customer's individual service, and many factors, such as the customer's energy use and the customer's billing demand, where applicable.

Aside from the proposed revisions to its rate schedules, as described above, MECO is also requesting to maintain and increase its Service Establishment Charge. MECO's proposed rate increase of \$100,000 will increase the Service Establishment Charge from \$15.00 to \$30.00, and for MECO's proposed rate increase of the "Purchase Check Charge" to a "Retailer Purchase Check Charge" from \$10.00 to \$25.00 per meter, and the "Field Collection Charge" from \$17.00 to \$22.00 per meter, collection call sheets or removal fee, and the "Field Collection Charge" from \$17.00 to \$22.00 per meter, collection call sheets or removal fee, and the "Field Collection Charge" from \$17.00 to \$22.00 per meter, collection call sheets or removal fee.

The foregoing is a brief summary of MECO's request. For complete details please refer to MECO's Application.

The Commission will review and determine whether the proposed revenue increases, changes in rate schedules and rates, and other matters requested or proposed by MECO are just and reasonable. The Commission will hold an evidentiary hearing sometime after the conclusion of the public hearings under MECO and the other applicants. All relevant documents and exhibits filed in the proceeding will be made available to the public during the evidentiary hearing. The final revenue increases for the Test Year will not exceed the \$10,998.00 increase in revenues finally approved by MECO in its Application. However, the increase in certain rates and charges finally approved by the Commission, if any, may be higher or lower than the proposed rates and charges for the various schedules of services.

All documents and exhibits filed in the proceeding will be made available to the public during the evidentiary hearing. Statements may be submitted prior to or at the public hearings. Statements may be filed with the Public Utilities Commission, 405 South King Street, Room No. 103, Honolulu, Hawaii, 96813, or mailed post paid or personal delivery. Statements must be submitted to the Commission through email at PublicUtilitiesCommission@hawaii.gov. All statements must be submitted in writing and must include (1) name of the person submitting the written statement; (2) organization representing (if any); and (3) address of the person submitting the written statement.

Failure to file a written statement in the proceeding may result in a finding of waiver of the right to appear and be heard at the evidentiary hearing. Persons who do not appear at the evidentiary hearing will be deemed to have waived their right to appear and be heard at the evidentiary hearing.

Comments on MECO's Application and supporting documents are available for public inspection during regular business hours at the following locations:

1. PUBLIC UTILITIES COMMISSION
 405 South King Street, Room 103
 Honolulu, Hawaii 96813

2. PUBLIC UTILITY COMMISSION
 MAUI DISTRICT OFFICE
 Suite 100, Office Building #1
 11-1500 Kamehameha Highway, Suite 100
 Wailea, Hawaii 96744
 Phone: (808) 864-5182

3. DEPARTMENT OF COMMERCE & CONSUMER AFFAIRS
 DIVISION OF PUBLIC UTILITIES
 135 Merchant Street, Room 120
 Honolulu, Hawaii 96813
 Phone: (808) 540-2620

4. MAUI ELECTRIC COMPANY, LIMITED
 210 West Kamehameha Avenue
 Kahului, Maui HI 96732
 Phone: (808) 247-2340

5. MAUI TRICITY COMPANY, LIMITED
 32 Iku Street
 Kihei, Maui, Hawaii 96744
 Phone: (808) 871-8461

6. LANA'I PUBLIC SCHOOL LIBRARY
 Lania Kai, Lanai HI 96743
 Phone: (808) 565-7920

Special arrangements to accommodate persons with disabilities can be made if requested reasonably in advance of the public hearings by contacting the Commission's Honolulu Office, see above.

*Carrie P. Colman
 Chairman
 (MAY 2, III, 17, 24, 2007)*